

Honorable Steve Scalise
2338 Rayburn HOB
Washington, DC 20515

Congressman Scalise,

We write to express our support for your [amendment](#) to HR 367, the [Regulations From the Executive in Need of Scrutiny Act of 2013](#). The last thing the American people need is a new tax, especially a carbon tax.

A carbon tax would hurt American families by driving up the cost of energy as well as reducing economic growth. According to a study of one popular carbon tax proposal, a carbon tax would reduce the income of a family of four by \$1,000 a year, cost the economy over 400,000 jobs by 2016, and increase the price of gasoline by 30 cents a gallon by 2030.ⁱ

Not only would a carbon tax harm the economy, it would have no substantive impact on global temperature. If we would reduce America's carbon dioxide emissions to zero, global temperature would only be 0.052°C lower by 2050 and 0.137°C by 2100—not enough to have any substantive impact on climate.ⁱⁱ A carbon tax would not reduce U.S. carbon dioxide emissions to zero and would therefore have even less of a climate impact.

There are no arguments for a carbon tax that make sense. Some argue that implementing a carbon tax could actually make the tax code more efficient. This claim is not supported by the economics literature. The best literature on the topic explains that a revenue-neutral carbon tax swap would make the tax code more inefficient and would hinder economic growth. Some estimates suggest that this 'tax interaction effect' is so powerful that the theoretical size of a new carbon tax should be cut almost in half, once extra damage to the economy is taken into account.

Another argument some advance to support a carbon tax is that it would substantially reduce global warming. But again, the reality is that U.S. Government acting unilaterally cannot significantly slow global carbon dioxide emissions. Furthermore, William Nordhaus' work suggests that if only half of the world's governments implement the 'optimal carbon tax,' then the economic cost of achieving a desired environmental objective will increase by 250 percent.ⁱⁱⁱ

The reality is that Federal and state governments already have in place many policies that discourage carbon-intensive activities and encourage alternatives, such as gasoline taxes, CAFE standards, and renewable energy mandates. These weaken even the theoretical case for a carbon tax, though advocates rarely include this consideration in their proposals.

Lastly and most importantly, the American people do not support a carbon tax. According to a recent survey, two thirds (64 percent) of respondents believe that energy costs are already too high compared to other goods and services.^{iv} Among those surveyed, half are less likely to vote for a Member of Congress if he/she supports a carbon tax. Any effort to focus on issues other than the economy will be seen as a distraction or diversion, according to survey respondents.

ⁱ David W. Kreutzer & Kevin Dayaratna, *Boxer–Sanders Carbon Tax: Economic Impact*,

<http://www.heritage.org/research/reports/2013/04/boxer-sanders-carbon-tax-economic-impact>, Apr. 11, 2013.

ⁱⁱ Patrick J. Michaels & Paul C. Knappenberger, Current Wisdom: We Calculate, You Decide: A Handy-Dandy Carbon Tax Temperature-Savings Calculator, <http://www.cato.org/blog/current-wisdom-we-calculate-you-decide-handy-dandy-carbon-tax-temperature-savings-calculator>, July 23, 2013. This is using the 3°C climate sensitivity advocated by the United Nation’s Intergovernmental Panel on Climate Change.

ⁱⁱⁱ Robert P. Murphy, *Rolling the Dice: Nordhaus’ Dubious Case for a Carbon Tax*, June 2008,

http://www.instituteforenergyresearch.org/wp-content/uploads/2008/06/2008-06_rolling_the_dice_murphy.pdf.

^{iv} IER Survey Finds Broad-Based Opposition to Carbon Tax, July 16, 2013,

<http://www.instituteforenergyresearch.org/2013/07/16/ier-survey-finds-broad-based-opposition-to-carbon-tax/>.